

# ECONOMIC DEVELOPMENT AUTHORITY[261]

## Adopted and Filed

Pursuant to the authority of Iowa Code section 15.106A, the Iowa Economic Development Authority hereby adopts amendments to Chapter 5, “Iowa Industrial New Jobs Training Program,” Chapter 7, “Iowa Jobs Training Program,” Chapter 8, “Workforce Development Fund,” Chapter 9, “Workforce Training and Economic Development Funds,” Chapter 20, “Accelerated Career Education (ACE) Program,” and Chapter 58, “New Jobs and Income Program,” Iowa Administrative Code.

These amendments make technical changes to the Authority’s administrative rules by replacing the term “vocational” with “career and technical” as required by 2016 Iowa Acts, House File 2392.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 2995C** on March 29, 2017. The Authority did not receive any comments. These amendments are identical to those published under Notice.

The Economic Development Authority Board adopted these amendments on June 16, 2017.

This rule making does not have any fiscal impact to the state of Iowa.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 15.411.

These amendments will become effective November 15, 2017.

The following amendments are adopted.

ITEM 1. Amend rule **261—5.3(15,260E)**, definition of “Program services,” as follows:

“*Program services*” includes but is not limited to the following:

1. New jobs training.
2. Adult basic education and job-related instruction.
3. ~~Vocational~~ Career and technical skill-assessment services and testing.
4. to 9. No change.

ITEM 2. Amend subrule 7.9(2) as follows:

**7.9(2)** The following costs associated with the provision of services for any project are eligible for program funding:

- a. ~~Vocational~~ Career and technical skill assessment testing.
- b. to j. No change.

ITEM 3. Amend subrule 8.6(5) as follows:

**8.6(5) Allowable activities.** Allowable activities include ~~vocational~~ career and technical skill assessment testing; adult basic education; job-related training; cost of a company, college, or contracted trainer or training services; training-related materials, equipment, software and supplies; curriculum development; lease and rental of training facilities and equipment; training-related travel and meals; and contracted or professional services. Costs associated with the administration of the project (i.e., fiscal and reporting activities, project supervision and coordination) are allowable but are limited to 15 percent of the total program budget.

ITEM 4. Amend subrule 8.9(4) as follows:

**8.9(4) Allowable activities.** Allowable program activities include purchase or development of training curricula and materials; purchase or provision of technological equipment and related materials needed for the delivery of training; activities needed to support a training program including, but not limited to, assessment, recruitment, outreach and applications; training site development; activities needed to develop a training program including, but not limited to, travel, research and development, focus group activities and legal fees; activities designed to creatively address a workforce development need identified by a community that, if successful, can be easily replicated in other communities; tuition and fee reimbursements for students; tutorial and remedial education services; counseling services; coordination services; ~~vocational~~ career and technical skill assessment testing; adult basic education; job-related training; cost of a company, college, or contracted trainer or training services;

training-related materials, equipment, software, and supplies; lease and rental of training facilities and equipment; training-related travel and meals; and contracted or professional services. Costs associated with the administration of the project (i.e., fiscal and reporting activities, project supervision, and coordination) are allowable but are limited to 15 percent of the total program budget.

ITEM 5. Amend subrule 9.5(4) as follows:

**9.5(4)** Programs and courses that provide ~~vocational~~ career and technical training and programs for in-service training and retraining under Iowa Code section 260C.1, subsections 2 and 3. As it pertains to Iowa Code section 260C.1, subsection 2, ~~vocational~~ career and technical training shall mean new or expanded ~~vocational~~ career and technical coursework that has Iowa department of education approval and that results in the conferring of a diploma, degree, or certificate. The enhancement of academic core courses within the ~~vocational~~ career and technical program is also eligible. As it pertains to Iowa Code section 260C.1, subsection 3, eligible activities shall be short-term training and retraining projects.

ITEM 6. Amend subrule 9.6(4) as follows:

**9.6(4)** ~~Vocational~~ Career and technical training programs shall meet the requirements of new or expanded ~~vocational~~ career and technical training.

ITEM 7. Amend subrule 9.6(6) as follows:

**9.6(6)** Community colleges may use moneys from the fund for operational expenses associated with ~~vocational~~ career and technical training.

ITEM 8. Amend subrule 9.7(1) as follows:

**9.7(1)** How the allocation will be distributed for the allowable uses of ACE, Iowa jobs training program, career academies, ~~vocational~~ career and technical training programs, and in-service training and retraining projects;

ITEM 9. Amend subrule 20.3(1) as follows:

**20.3(1)** In order to receive tax credits from withholding under the program job credits component or financial assistance through the college student aid commission's accelerated career education grants program, a program must be designated by a community college as an eligible ACE program. All programs must demonstrate increased capacity to enroll additional students. To be eligible, a program must be either:

- a. A credit career, ~~vocational~~, or technical education program resulting in the conferring of a certificate, diploma, associate of science degree, or associate of applied science degree; or
- b. A credit-equivalent career, ~~vocational~~, or technical education program consisting of not less than 540 contact hours of classroom and laboratory instruction and resulting in the conferring of a certificate or other recognized, competency-based credential.

ITEM 10. Amend paragraph **20.16(1)**“c” as follows:

- c. Educational profile (1 or 2 points).
  - 2 points Credit career, ~~vocational~~ or technical educational program (see paragraph 20.3(1)“a”).
  - 1 point Credit-equivalent career, ~~vocational~~ or technical educational program consisting of not less than 540 contact hours (see paragraph 20.3(1)“b”).

ITEM 11. Amend paragraph **58.4(3)**“f,” introductory paragraph, as follows:

f. *New jobs insurance premium tax credit.* If the eligible business is an insurance company, the business may claim an insurance premium tax credit as provided in Iowa Code section 15.333A. This new jobs insurance premium tax may be taken by an eligible business which has entered into a chapter 260E agreement with a ~~vocational~~ career and technical school or community college, and which has increased its base employment level in Iowa by at least 10 percent within the time set in the 260E training agreement. In the case of an eligible business without a base employment level, if the business adds new jobs within the time set in the 260E agreement, it is entitled to this new jobs insurance premium tax

credit for the tax period to be selected by the business. In determining if the business has increased its base employment by 10 percent, only those new jobs resulting from the project covered by the 260E agreement shall be counted.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/11/17.